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Finlay Carson MSP  
Convener  
Rural Affairs, Islands and Natural Environment  
Committee  
c/o Clerk to the Committee  
The Scottish Parliament  
Edinburgh  
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4 October 2022

Dear Finlay,

During the evidence session with the Committee on 7 September, I committed to providing more information on a number of matters. The updates I can offer immediately are provided below:

### **Agriculture Bill consultation events**

Full details of these events are contained in Annex A.

### **Island Depopulation**

I agreed to provide an update on tackling island depopulation. As you know, we take all issues impacting Scotland's islands very seriously and we recognise that the real experts are the people who live in these communities. Having listened closely to islanders, we have taken the decision to use our findings from the Islands Bond consultation, and our ongoing engagement with rural and island communities to develop an Action Plan which will focus on the challenges of depopulation. This plan will be published in 2023.

This will be a cross portfolio effort, focussing on a place-based approach to supporting the retention and attraction of people in areas facing population decline. We recognise that rural and island depopulation remains an extremely complex trend with no quick fix. It is a challenge which has been much discussed and which matters greatly to many communities across Scotland. However, we are not starting with a blank page. There is much good work already in place across housing, planning, transport, and in the Rural and Islands portfolio.

There is however always more we can do, be that testing new interventions, bringing partners at national, local, and island level together more effectively, or learning from international island nations. This is where our new Action Plan will add a valuable contribution.

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Over the next year, the Scottish Government's Ministerial Population Taskforce will be driving the action plan forward with focused input from my island officials. We will, of course, continue to engage with rural and island communities and stakeholders as this work develops.

## National Marine Plan 2

Our new Programme for Government announced our intention to develop a new National Marine Plan for Scotland ("NMP2"). Effectively managing how we use our marine space is critical in our transition to net zero, the achievement of national and international biodiversity commitments and to maximise the opportunities a blue economy approach can deliver for our environment and communities. However, Our Blue Economy Vision (March 2022) made clear that there are difficult choices ahead to deliver our aspirations for the sustainable management of our seas by 2045 and these difficult choices will be explored as we develop NMP2. We need a clear policy framework that reflects our new shared priorities and commitments and considers potential co-dependencies, synergies or trade-offs between different interests.

The statutory process for the development of a national marine plan requires detailed assessments and stakeholder engagement, estimated to take approximately 3 years, with completion anticipated by late 2025. We will shortly publish the Statement of Public Participation (and supplementary Stakeholder Engagement Strategy) which will formally commence the planning process.

## Avian Flu

The UK is currently experiencing the worst ever outbreak of highly pathogenic avian influenza (HPAI). As of 28 September 2022, there have been 156 premises infected with HPAI H5N1 in the UK: eleven in Scotland, seven in Wales, six in Northern Ireland and 132 in England. During the current AI outbreak period, the GB Dead Wild Bird Surveillance Scheme has detected the virus in 1,693 dead wild birds across Great Britain: 602 of which have been in Scotland. This has affected wild bird populations, including some internationally important seabird populations and we take this very seriously.

The Animal and Plant Health Agency (APHA) carries out year round highly pathogenic avian influenza surveillance of dead wild birds reported to Defra's GB national helpline, which captures information on the general location and strains of avian influenza that are present in wild birds. More information on the programme and findings in wild birds is available at: <https://www.gov.scot/publications/avian-influenza-outbreaks/#wildbirds>.

In addition to the GB Dead Wild Bird Surveillance Scheme, NatureScot and other relevant parties have been carrying out monitoring at key seabird colonies across Scotland to collect data on bird numbers and any mortality events.

The Avian Influenza Task Force has been established to co-ordinate activity to monitor and minimise the impact of avian influenza on wild bird populations in Scotland. The Task Force is assessing the current guidance in relation to dealing with confirmed/suspected AI in wild birds. This includes surveillance/monitoring, collection and disposal protocols, biosecurity measures, public protection and health surveillance.

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It is considering what is required to provide an effective and efficient delivery mechanism for the removal and disposal of dead birds. The risk assessments around the removal of the carcasses are being undertaken by EPIC Scotland, who provide epidemiological advice on animal disease outbreaks.

A wild bird avian influenza contingency plan is being drafted by The Scottish Government and NatureScot with input from the task force. This will be a live document that provides guidance to support land managers, the public, ornithological and environmental organisations in their response to the impacts of avian influenza in wild birds. Following on from what we have learned during this recent outbreak, work on developing a common framework for decisions for all activities (including ringing, research, wildfowling etc.), where they may impact on HPAI in wild bird populations, is underway. The task force will be guided by risk assessments which will look at transmission risk and potential impact of disease from different activities. As it is a live document, it can be updated as work within the task force on the assessment of guidance continues.

A stakeholder workshop is being planned by the task force to provide an update on what has been done to date, how we are planning to assess the impact, what monitoring we are planning and potential mitigation against future outbreaks. We will continue to update the Committee as work by the task force progresses.

It is reassuring that the high level of viral transmission amongst seabirds has not resulted in a further spike in infection at poultry and other captive bird premises in Scotland. Scotland's last poultry case of HPAI H5N1 was at a small, commercial, backyard premises near Birsay, Orkney Islands on 7 July. All disease control zones for this premises have since been lifted. The most recent risk assessment suggests there is currently sufficient geographical separation between seabird colony locations and areas with high numbers of poultry and other captive bird premises to consider them 'decoupled'.

## Further updates

Additional updates will be provided on the following areas as work develops:

- The Griggs review recommendations,
- Future catching policy: the consultation analysis is ongoing and an update will be provided when it has been completed.
- The Carbon Neutral Islands Project

You also wrote to me on behalf of the Committee on 26 September, requesting answers to the questions that you did not have time to ask at the evidence session. I have included responses to these at Annex B.

I hope this is helpful.

Yours sincerely,



**MAIRI GOUGEON**

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**CONSULTATION ON AGRICULTURE BILL – CONSULTATION EVENTS**[Delivering our Vision for Scottish Agriculture. Proposals for a new Agriculture Bill.](#)

In support of the consultation, the Scottish Government has announced a series of consultation events which will take place over the next few months.

These will comprise eight face to face regional events across Scotland, which will look at the Agriculture Bill in general – details of these events are provided below:

- 5 October, Glen Mhor Hotel [Inverness](#)
- 6 October, Skye Gathering Hall, Portree [Skye](#)
- 25 October, Thainstone House, Inverurie [Aberdeenshire](#)
- 1 November, The Rockfield Centre [Oban](#)
- 3 November, Dryburgh Abbey Hotel Saint Boswells [Scottish Borders](#)
- 8 November, The Stirling Highland Hotel [Stirling](#)
- 10 November, The Crichton, Dumfries [Dumfries & Galloway](#)
- 14 November, Ayr Racecourse, Ayr [Ayrshire](#)

In addition to the in-person events, there will also be four online virtual events focusing on specific themes included in the Bill. The four thematic events will cover:

- 29 September: Delivering the Agricultural Vision
- 27 October: Rural Development and Forestry
- 9 November: Agricultural Wages
- 15 November: Modernising Agricultural Tenancies

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## RESPONSES TO ADDITIONAL QUESTIONS FROM THE RAINE COMMITTEE SESSION

### Impact of EU exit on the RAI remit

#### 1. What discussions has the Scottish Government had with the UK Government or the Competitions and Markets Authority to understand better the implications of the Subsidy Control Act on funding for agriculture and fisheries in Scotland?

##### Response

- Throughout the development and parliamentary progress of the Bill we repeatedly raised our concerns with the UK government – through official level meetings, through our response to the initial consultation in Spring 2021, and through repeated ministerial letters and meetings – but we did not receive any substantive response that addressed our concerns.
  - Since the Act was passed, UK Government officials have been working with officials in the devolved administrations to develop specific guidance for agriculture and fisheries subsidies. We have received a first draft of the Agriculture Supporting Guidance and will meet with UK Government officials about this early next week. Whilst I welcome this important work, we are still some way from having much needed clarity on all aspects for these sectors.
- #### 2. What is the Scottish Government's view of the impact of free trade agreements on devolved policy areas and especially on Scotland's food-producing sectors?

##### Response

- The new trade deals that the UK Government has signed with Australia and New Zealand, for example, have fallen significantly short of the expectations and needs of Scotland. They do not align with Scotland's approach to trade and priorities and are highly damaging to Scottish Agri-Food sectors.
- The UK Government has not engaged with the Scottish Government in a meaningful way and has informed rather than consulted. We are still awaiting evidence on regional impact assessments and on how tariff rate quotas are calculated.
- FTAs arranged so far will, by some measure, not compensate for the loss of trade as a result of Brexit. For example, the UK Government's own economic modelling with regard to the UK-Australia FTA suggested that this deal will increase UK GDP by a mere 0.08%, while earlier UK Government analysis has suggested that Brexit would lead to a 4.9% contraction of UK GDP.
- Australia/NZ - Modelling also shows agriculture and semi-processed food sectors are expected to lose out as a result of these deals. This will have a greater impact on Scotland as agriculture accounts for a higher share of exports and GDP.

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- Looking at the recent deal between the EU and New Zealand, EU agricultural producers are better protected. The difference in outcomes is stark. For example, while the UK Government agreed to allow unlimited quantities of beef, tariff-free, into the UK after 15 years, the EU – New Zealand FTA will maintain quotas permanently and apply a 7.5% tariff. In addition the quotas that New Zealand has secured, in its FTA with the UK, are much higher than those in its agreement with the EU. In the first year of the FTA, the UK will allow 12,000 tonnes of New Zealand beef into the UK, while the EU will allow 3,333 tonnes – for the entire EU-27. By year 15, the UK Government will allow 60,000 tonnes of New Zealand beef into the UK, and after that an unlimited quantity, while the EU will cap imports at 10,000 tonnes, and still apply a 7.5% tariff. This suggests Scotland would be better off being part of the EU.
- It is not just the Scottish Government that is concerned with recent trade deals. The view from industry is clear: trade deals that the UK Government has signed, which provide Australian and New Zealand exporters with unfettered access to the UK market following a short transitional period, despite operating to lower cost and regulatory standards, will undercut domestic agri-food producers.
- Scottish Ministers have consistently written to the UK Government to highlight our deep concerns about the trade deals arranged so far and their likely adverse impact on Scotland's economy – particularly agriculture, food processing and the environment.
- The Scottish Government is, and will continue to, closely monitor the impacts of FTAs. We will use all the levers possible to gather data on potential and actual impacts. Scottish Government officials ensure Scottish interests are raised in various UK Government hosted discussions about these trade agreements. Aside from work undertaken by our own economists, we have also commissioned independent research and are working too with trade specialists from SDI to monitor and take advantage of any export opportunities.

### **Food and drink supply chain**

#### **3. What are the Scottish Government's reflections on the recommendations of the Food Security and Supply Taskforce and, more generally, what is the Scottish Government doing to ensure the resilience of Scotland's food producing sectors during the cost of living crisis?**

##### Response

##### *Delivery of Food Security and Supply Taskforce recommendations*

- I established the short life Food Security and Supply Taskforce together with industry on 17 March this year, specifically to monitor and identify any potential disruption to the food and drink supply chain resulting from the impact of the war in Ukraine.
- The Taskforce's 23 June report includes a series of recommendations, including the creation of a dedicated Food Security Unit within the Scottish Government and we are now looking at the delivery of those recommendations, some of which will take some more time.

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- The Taskforce report is the product of a collaboration between industry and the Scottish Government and it is set to meet again twice more this year in a monitoring capacity. This will be to test in more detail, as necessary, issues that arise and also to monitor the delivery of the agreed recommendations.
- More information about the delivery of the set of recommendations will therefore become available later this year once the Taskforce process is complete.
- I can confirm however that steps are being taken to deliver those recommendations and we have already delivered:
  - A new food and drink focused business support landing page that went live on 14 July with business support information relevant to the sector. It is included on the Find Business Support webpage.
  - The Scottish Government and Food Standards Scotland have opened engagement with the Groceries Code Adjudicator and a meeting with officials took place on 26 July.
  - I wrote a further letter to the UK Government on 26 August to press again for them to consider the critical issues impacting on the sector.
- Otherwise, the Taskforce hopes that its swift establishment, and the recommendations, including industry support measures such as the planned establishment of new food security structures and monitoring by the Scottish Government, will help to bolster industry confidence during these hugely challenging times.

#### *Additional support to the food producing sector*

- While established in the immediate wake of the Ukraine situation, the Taskforce recognised that the many links in the food and drink supply chain have undoubtedly experienced a series of significant shocks in recent times e.g. Covid-19 and Brexit, which have disrupted supply chains and/or created new barriers to trade and that the situation in Ukraine is now having further impacts.
- All of this means that there is greater strain on the food supply chain than has been seen for many years, while immediate supplies of food are secure.
- Equally, the short-life Food Security and Supply Taskforce recognised, because of the global factors at play, that the UK Government holds many of the levers to help address a number of the issues currently impacting on the sector with addressing critical infrastructure issues like CO2 and fertiliser and energy and fuel price spikes being some of the most significant.
- That is why I wrote on 26 August to urge the UK Government again to take urgent action.
- For the agricultural sector, given the sharp rise in energy, fuel and fertiliser costs in recent months, I am acutely aware that businesses across Scotland are facing a hugely challenging increase in their bills.

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- That is why I have listened to the representations from the farming and crofting community and have brought forward the advance payment start date to as early in the year as is practicably possible. The intention is to support businesses, as far as possible, with immediate cash flow challenges.
- Annually, the Scottish Government pays out around £420 million through the Basic Payment Scheme and Greening payments.
- Payments started issuing from 19 September 2022 instead of 16 October 2022.
- At the time of writing this correspondence, over 14,000 businesses have received their payments with over £320 million in payments made.
- While the start date of payments may change, the target remains the same - to pay over 70% of anticipated expenditure by the end of December 2022 and 95.24% of anticipated expenditure by the end of February 2023.

#### **4. What are the Scottish Government's plans and timetable for producing its national Good Food Nation Plan and for the establishment of the Scottish Food Commission?**

##### Response

- The Good Food Nation (Scotland) Act 2022 was passed by the Scottish Parliament in June and received Royal Assent on 26 July.
- The Act requires Scottish Ministers and certain public authorities to produce plans of their policies in relation to food and set out what they will do to make those plans real.
- These plans will also have to set out the main outcomes to be achieved in relation to food related issues, the policies needed to do this and the measures we will use to assess progress.
- We will publish a draft of the national Good Food Nation Plan in 2023. A full public consultation on the draft will follow.
- The Good Food Nation Act also makes provision for the establishment of a Scottish Food Commission to provide oversight for delivery of the provisions in the Act.
- The Commission's main functions will include: scrutinising and making recommendations in relation to the Good Food Nation plans and progress reports; conducting research; and providing advice to Scottish Minister, Local Authorities and Health Boards in relation to their good food nation plans.
- The current anticipated running costs are expected to be around £1m per annum and this has been included in the rSR under the "Rural Services" line. The figure is based on an assessment of the budgetary requirements of similar sized public bodies and an early assessment of running costs. The running costs figure will be reviewed and updated as part of the annual budget cycle.

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- The process of setting up a new public body is complex and requires careful thinking. It will take time to fully assess the detailed logistics, timescale and budgetary requirements. As the Food Commission's functions are directly linked to the Good Food Nation plans, it will be established following a similar timescale to the publication of the final version of the Scottish Government's Good Food Nation Plan.

## **Biodiversity**

### **5. How do you expect sectors within the RAI remit will contribute to delivering the aims of the proposed biodiversity strategy?**

#### **Response**

- On biodiversity, as you know, our recent consultation on a new biodiversity strategy set out the outcomes we think we need to see across different landscapes, including farmland, uplands, forestry and wetlands in order to halt and begin to reverse the loss of biodiversity in Scotland. We are now in the process of developing a delivery plan which will set out in more detail the actions we need to take to deliver those outcomes. Further consultation on the Strategic Framework for biodiversity will take place in the Spring.
- Our Vision for Scottish Agriculture ties in well with the Biodiversity Strategy work, making it clear that we see Scotland as a leader in sustainable and regenerative farming. To achieve this, we will work with and alongside farmers, crofters and land managers to ensure that they have the right support to contribute to the restoration of nature through biodiversity gain on the land they farm and encourage more farmers and crofters to farm and produce food organically.
- As part of our future legislative reforms, by 2025 we will shift half of all funding for farming and crofting from unconditional to conditional support, with targeted outcomes for biodiversity gain alongside low carbon approaches which improve resilience, efficiency and profitability.
- We have started that transition - support for wider biodiversity and environmental outcomes forms a key part of work on future agricultural support while work on the £51m National Test Programme will inform design of types and levels of conditionality in future payment schemes. This work builds on existing support.
- We are committed to extending the current Agri-Environment Climate Scheme right up to the end of the period of stability in 2024.

### **6. How will the actions required from the agriculture and fisheries sectors in order to implement the proposed biodiversity strategy be funded?**

#### **Response**

- The current agriculture and fisheries budget includes funding to support both strategies and we will work to improve the outcomes we can deliver with this funding. Of course the budget available will be subject to future UK budget settlements and Scottish Government spending reviews.

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- Future funding will align our Vision for Agriculture, including consulting on a future Agriculture Bill, rolling out the National Test programme and moving towards shifting 50% of direct payments to climate action and funding for on farm nature restoration and enhancement by 2025.

## **Climate change**

### **7. What progress has been made towards addressing the gap in projected emissions reductions from the farmer-led groups and in mapping out the policies and proposals which would achieve the necessary emissions reductions?**

#### **Response**

- We know that significant emissions reduction actions can be taken on farms and crofts across Scotland and my work is focusing on supporting our industry to undertake those actions. We also recognise that agriculture is a natural process and will always have some emissions. Recent global events have also shown how vital our domestic food production is and the importance of food security.
- We are working with our main research providers to inform and address the full emission reduction needed from the sector and we will be working through these issues as we develop the forthcoming Climate Change Plan.

### **8. What are the Scottish Government's plans to increase climate resilience for food producers?**

#### **Response**

- Resilience to climate change is a key issue for our farmers and crofters. Last year saw some of the worst winter storms which had a devastating effect on trees on farms across the country and this summer has seen some farmers having to forego irrigation water to protect our rivers.
- We are committed through existing support mechanisms and initiatives to ensure that agriculture has the tools, skills and knowledge to adapt to meet future.
- Alongside continuing to deliver the policies and proposals in our current Climate Adaptation Programme for agriculture, we are now also developing the next Programme for publication in 2024.

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